our fire Approved For Release 2009/03/09: CIA-RDP82-00457R010300270009-3 CONFIDENTIAL 25X1 ____CONTROL - U.S. OFFICIALS ONLY CLASSIFICATION SECURITY INFORMATION CENTRAL INTELLIGENCE AGENCY REPORT INFORMATION REPORT CD NO. COUNTRY DATE DISTR. Germany (Russian Zone) 13 Feb. 1952 SUBJECT Measures Planned to Further the Principle of NO. OF PAGES Individual Economic Responsibilities for DDR Concerns PLACE NO OF ENCLS. Decament No. 25X1 ACQUIRED No Change in Class. Declassified DATE OF SUPPLEMENT TO Class. Changed To: REPORT NO. INFO. The second secon his document contains information affecting the Bational Defines f the united states. Within the Neaming of Title 18, sections 793 bl 794. Of THE U.S. CODE. AS AMERGED. 175 TRANSESSION OR REVEL-TION OF ITS CONTENTS TO OR SECRIT BY AN URAUTHORIZED PERSON PROMISITED by LAW THE REPRODUCTION OF THIS FORD IS PROMISED. 25X1 THIS IS UNEVALUATED INFORMATION The state of the s 25X1 The measures now under discussion in the Ministry of Finance for introducing the system of individual economic responsibility for DDR concerns are the following: * An ordinance on the creation of the people's owned industrial concerns (VEBs). The people's owned concerns (the VEBs) rather than the Vereinigungen (the VVBs), are to be corporate legal persons, capable of owning public property. 2) The VEBs will incur liability only in regard to working capital. 3) The managing director of a concern (a VEB) will have authority to sign in behalf of the VEB but will be, nevertheless, bound to the VEB Plan. His deputy must countersign. b. An ordinance on the tasks of VVBs stating that the VVBs are to have only supervisory and control functions and are no longer to be corporate legal persons.

- c. Preparatory measures for the execution of the ordinance on the financing of the people's owned concerns providing that payments in advance and by installments be abolished. Payments will now be regulated by bank collections (see below).
- d. Measures for the introduction of economic accounting as follow: VVBs in the form in which they existed previously will be abolished. Particularly important concerns will be directly subordinated to the Ministry of Heavy Industry, the Ministry of Light Industry or the Ministry of Machine Construction. Other concerns which are controlled centrally by the DDR government will remain associated under Vereinigungen, which will supervise them. Plans and instructions will be issued by the DDR ministries. Concerns which hitherto have been controlled by the Laender and by municipalities (Kommunalwirtschaft) will be organized as local industrial concerns subordinate to the Land Governments, and corresponding (sic) Vereinigungen which will control them.

25 YEAR RE-REVIEW

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- e. Preparatory measures in regard to the ordinance for the creation of people's owned industrial concerns as follow: Accounting on behalf of concerns via the Vereinigungen will cease immediately, and will in the future take place directly via the Deutsche Notenbank (DNB). Accounts with the Vereinigungen must be liquidated by 15 December 1951. Similarly, excess stocks in concerns must be liquidated by the end of 1951, so that they can enter the new phase in the economy with a fresh start. Losses must also be cleared by the end of the year.
- f. Preparatory measures in regard to the ordinance on bank collections as follow: The supplier of goods will send his bill and delivery papers immediately to his bank, which will credit him with the amount of the bill. The consignee's bank, which receives these papers, will forward the bill to the consignee for acceptance. The latter will check it with his order and accept it, even though the goods may not have arrived, on the basis of this comparison. The bill is considered as a contract if no objections to it are raised by the consignee within two days of its receipt. As an exception, the consignee may make an arrangement with the bank whereby the delivery will be regarded as having been accepted by him only when his actual signature to that effect is received by the bank. Only by special arrangement, however, may a signature be required before the acceptance is considered valid. The ordinance on bank collections facilitates the financing of goods in transit and prevents the unplanned procurement of credit. The bank will charge 3 percent interest for collecting bills; local transactions are to be settled on a seven day basis and long distance transactions on a thirteen day basis. For credits of a longer period 6 per cent will be charged.

Comment: These preparatory measures indicate that legislation is to 25X1 be introduced to implement the changes in the control of industry as outlined in the conference on financial policy held in Berlin on 17-19 September 1951.

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